

AT A PUBLIC HEARING MEETING OF THE CULPEPER COUNTY BOARD OF SUPERVISORS HELD IN THE BOARD ROOM, LOCATED AT 302 N. MAIN STREET, ON THURSDAY, APRIL 17, 2003.

**Board Members Present:**

***John F. Coates, Chairman***  
***Steven L. Walker, Vice-Chairman***  
William C. Chase, Jr.  
Sue D. Hansohn  
James C. Lee  
Brad C. Rosenberger  
Carolyn S. Smith

**Staff Present:**

Frank T. Bossio, County Administrator  
Valerie H. Lamb, Finance Director  
Peggy S. Crane, Deputy Clerk

**CALL TO ORDER**

Mr. Coates, Chairman, called the public hearing to order at 7:00 p.m. and welcomed everyone to the Board's advertised public hearing on the budget.

**RE: AGENDA - ADDITIONS AND/OR DELETIONS**

Mr. Bossio indicated that the agenda should read "FY 04 Operating Budget", rather than FY 03, in both the heading and Item #1.

Mrs. Smith moved, seconded by Mr. Lee, to accept the agenda as amended.

Mr. Coates called for voice vote.

Ayes – Chase, Coates, Hansohn, Lee, Rosenberger, Smith, Walker

Motion carried 7 to 0.

**PUBLIC HEARING**

**THE BOARD WILL RECEIVE COMMENTS ON THE PROPOSED FY 04 BUDGET FOR YEAR ENDING JUNE 30, 2004**

Mr. Coates reviewed the Rules of Order for the public hearing and asked each speaker to state his/her name and magisterial district for the record, and to keep comments to three (3) minutes, if possible.

Mr. Bossio reported that County staff had worked diligently for many months with the School Board, Constitutional Officers and other County Departments in an effort to prepare the budget. He thanked those involved in the budget process for their efforts in keeping budget requests level. He stated that in many cases County Departments found ways to reduce spending without compromising services.

Mr. Bossio introduced a slide presentation on the overall budget and highlighted the sources of revenues, expenditures, and the advertised tax rate. He stated that the recent reassessment determined the equalization rate at 69 cents, but the overall budget added up

to 98 cents, which left a 6-cent budget deficit.

Mr. Bossio pointed out that the priorities for the County were education, public safety, general administration and the capital improvements program. He noted that the \$2 billion shortfall at the State level led to reduced revenues to local governments, while the County was experiencing reduced revenue due to loss of industry, lower interest rates, and increased growth. He displayed the advertised budget revenues and noted that property taxes supported the majority of the burden to cover the largest expenditure for school operations and debt service.

Mr. Bossio gave a brief explanation of the budget process. He stated that the entire budget would be available on the County's web site the week of April 28<sup>th</sup>, or on CD's for those who preferred that format. He explained how the budget process worked within the time line of October 2002 to May 6, 2003. He stressed the importance of maintaining the fund balance in order to obtain bonds for schools, build large scale projects, and cover any large emergency. Mr. Bossio discussed how a balance was reached between expenditures for education, public safety, and general government on one side, and the revenue or taxpayer dollars on the other. He stated that the overall general government requests for FY 2004 increased \$1.1 million over the FY 2003 funded requests. He noted those requests for funds from outside agencies showed an increase of 5.04 percent, largely due to new requests from the Hospital Foundation and the Brandy Station Foundation. He stated that the School Board requested \$3,172,500 for multi-year capital projects, and the County proposed to put \$500,000 into that. He indicated that the County's Capital Improvement Projects totaled \$2,996,000, which included Germanna Tech Center, extending the Early Childhood facility to free up classroom space in the public schools, and various roads.

Mr. Bossio discussed the tremendous impact that September 11, 2001, Afghanistan and the Iraqi war have had on local governments with the enactment of the Federal Homeland Security Act. This put additional requirements on local governments without funding. He noted that there were grant opportunities available, and work was in process to tap into those. He reviewed the needs to be addressed to provide public safety, such as the new Emergency Operations Center and additional staff for the Office of Emergency Services.

Mr. Bossio stated that overall budget increase for education was 20 percent, with a local increase of 29.8 percent. This was driven by the accelerated growth, a new school opening with no new staff in FY 2003, pay scale inequities and new programs. He explained

that the major cost increase in the School budget was for personnel (85 percent). He stated that he and the Superintendent of Schools would be developing a new school funding formula in the future because the present formula did not contemplate reassessment or the impact of growth on the other County agencies.

Mr. Bossio pointed out that the School Board's initial request for \$5,381,687 included 37 new positions, \$1.72 million of which would be new local dollars. He said the initial request had been reduced to \$4,306,886, by a revenue adjustment. He noted that the County had hired a consultant to conduct a salary study to determine how teachers' pay and hiring new teachers could be structured over a multi-year period.

Mr. Bossio reviewed the projects planned for the future, such as the need for additional courtroom space, future schools, a water/sewer authority, professional fire/EMS personnel, managing residential/ commercial growth, targeting technology/manufacturing/bioscience firms, and agricultural land preservation programs, as well as the new Community Complex and the Germanna Community Tech Center. He pointed out that steps had been taken to stem the rising costs and trim the County budget by computerization and reduction of paperwork, improved communication, cooperation among Town, Schools and County, using outside dollars such as RevMax, economic development, and using technology for building inspections from the field.

Mr. Coates called for a recess at 7:55 p.m.

Mr. Coates called the meeting back to order at 8:10 p.m.

Mr. Coates opened the public hearing on the proposed budget and called for public comments.

Mr. Larry Batten, Salem District, expressed concern regarding the 33 percent increase in the assessment rate, while there were significant increases in the budgets of the Commissioner of the Revenue, the Sheriff's Department, and Human Resources. He also expressed concern that Parks and Recreation and Economic Development had been reduced.

Mr. Watt Hypes, Salem District, stated that he was President of the Culpeper County Education Association and had been a teacher in Culpeper County for 25 years. He said that he and the members of the CCEA feel that the school budget as presented to the Board of Supervisors needs to be fully funded. He discussed at length the effect of growth in the County resulting in increased enrollments and overcrowded classes, but no new teaching positions. He urged the Board of Supervisors to set a tax rate that would fully fund both the School and County budgets.

Mr. Barry Parish, Salem District, expressed his concern regarding the increase of 54.5 percent in the reassessment of his 63-year-old home that has had no major renovations or additions within the last 12-15 years. He asked the Board to consider lowering the rate to a 35 percent average.

Ms. Lori Bosserman, Cedar Mountain District, requested, as an adult education teacher and a parent, that the Board of Supervisors fund the entire school budget as presented. She felt that the Culpeper schools had done a wonderful job with the limited resources provided.

Ms. Nancy Schiller, Salem District, advised the Board that she had done some research on the facts and figures regarding the buildings, the teachers, and the students, and she concluded that the County needs (1) to build more schools based on the number of new homes and the present capacity of each school; (2) to hire more teachers at higher pay in order to be competitive with surrounding counties; and (3) to increase per pupil expenditures to maintain a reasonable and safe student to teacher ratio. She urged the Board to fund the School Board budget at the level requested.

Mr. Al Aitken, Stevensburg District, informed the Board that he was Chairman of Culpeper United Taxpayers (CUT), a newly organized group with a goal to cut property taxes and local government spending, as well as to achieve rigid statewide statutory limits on property taxes. He stated that most of the CUT members did not mind paying their fair share of taxes for essential government services, but they felt that the current property tax system was arbitrary. He noted that his recent reassessment was 45 percent higher than the prior one and suggested that the County either curb spending or seek other forms of revenue to support the services needed. He suggested imposing sales taxes, income taxes, business taxes, bond sales and special interest fees focused on the users of the services.

Mr. Michael McKenna, East Fairfax District, stated that he was a teacher and voter in the County. He pointed out that Culpeper was not in a unique position, since all of the other localities who were ahead of Culpeper in teachers' salaries and per pupil spending were also experiencing tight economic times. He challenged the Board to make brave and bold decisions to fund the School Board budget and bring it into the 21<sup>st</sup> century.

Mr. Francis Updike, Cedar Mountain District, pointed out that there were three categories of underpaid professionals: Teachers, policemen and nurses. He spoke at length regarding the need to increase teachers' salaries and the need to bring additional economic development into the County to relieve the tax burden.

Ms. Ellen Hyde, Salem District, expressed her concern regarding the effect that accelerated growth was having on the School System. She noted that the schools were understaffed and teachers underpaid and pointed out that funding the school budget was a good starting point in correcting these inequities.

Ms. Leslie Gredler, East Fairfax District, stated she was the immediate past president of the CCEA and was completing her 25<sup>th</sup> year teaching in Culpeper County schools. She pointed out that the State had not done its job in funding K-12 public education, and it was now the citizens' responsibility to keep quality schools in Culpeper. She said that quality programs and quality teachers required quality funding and urged the Board to support the school budget.

Mr. Chuck Gyory, Stevensburg District, spoke as President of Career Partners. He explained that Career Partners had experienced first hand the importance of retaining good teachers and cited the work of the teachers and local businesses in making the program a success. He felt that the program illustrated how the quality of the teachers, the community coming together, and the smaller classes impacted both students and parents. He urged the Board to do everything it could to increase the teachers' salaries.

Ms. Jennifer McCauley, Salem District, Chair, Parent Advisory Committee for Gifted Education, spoke at length regarding the importance of quality teachers to inspire children and enable them to be self-supporting, contributing citizens by providing them with a sound structured academic foundation. She said that the County's classrooms need to be sized for optimal learning potential and the teachers need to be offered salaries to make teaching in Culpeper attractive and reasonable.

Mr. Leonard Birney, Jefferson District, expressed his displeasure with the assessments that increased approximately 75 percent. He stated that he lived in a subdivision that maintained its 2 ½ miles of private roads and patrolled the neighborhood, yet the residents were charged the same taxes as residents receiving maintenance and law enforcement services. He suggested that the Board consider impact fees on new businesses in the County to alleviate the burden on citizens.

Mr. Bill Alphin, Salem District, stated that as a former School Board member, he was aware of the schools' needs. He said that he wanted quality schools, but something should be done about the unreasonable reassessments. He stated that his assessment increased 73 percent, but after meeting with the Board of Equalization, it was lowered to 55 percent. He felt that alternative sources of funding should be explored.

Mr. James Bowen, Stevensburg District, stated that he supported the needs of the

schools, but felt that steps should be taken to find new sources of taxation to fund them. He felt that the real estate taxes were unreasonable with most of the taxes in the County increased by an average of 30–35 percent.

Mr. David Zehner, Jefferson District, expressed his concern regarding the increase in property assessments. He stated that the 57 percent increase he received would reflect an increase in his taxes.

Mr. Jeff Bloomer, Stevensburg District, stated that planning and partnerships would help the County deal with the problems it was experiencing with limited resources. He said that economic development was a major key in the future and welfare of the community, because more business and industry would balance the tax burden. He stated that while being more aggressive in economic development, it was imperative to deal with the infrastructure that was critical in attracting business and industry to the community. He pointed out that partnerships must exist between the County and Town, the County and School Board, and the County and business to achieve a better balance.

Mr. Ron Worman, Stevensburg District, stated that he understood the need for a good educational system, but he was concerned by the large increase in taxes. He noted that older citizens were having to decide between buying their medication and paying their taxes. He stated that the Board needed to work out the differences between the needs of the students and the ability of the people in the community to raise the money to finance those needs.

Ms. Gale Higgins, Cedar Mountain District, stated she did not mind paying taxes, and she strongly supported the school system and the school budget. She said her concern, however, was the tax rate and she did not believe that the tax assessments were determined in an equitable way. She cited research she had done that showed the majority of the newer homes, the recently resold homes, and homes that filed building permits for improvements were given assessments that were very close to 100% of the fair market value, while the majority of other residential properties were assessed closer to 70% of fair market value. She recommended that the Board review the reassessments and correct the gross inequities before determining the tax rate and approving the FY 04 budget; otherwise, lower the tax rate.

Ms. Emma Vonjudzleden, East Fairfax District, expressed her support for the music program in the School budget because she felt it was an investment in the children and community.

Mr. William Thomas, West Fairfax District, stated it was the responsibility of the

elected School Board to develop a budget to cover its needs, and it was the responsibility of the Board of Supervisors to fund that budget.

Ms. Deborah Reed, Rappahannock Legal Services, stressed the importance of services to people in the Culpeper district at a 125 percent poverty level who required free legal services in civil cases. She explained that the case load had increased with the County's growth, but their staff had been reduced due to decreased funding.

Mr. Doug Mayhugh, Stevensburg District, stated that he was a full time dairy operator and the price of milk had dropped 35 percent since September 11, 2001. He said the assessment on his property had increased approximately 60 percent. He stated this was not the time to raise the tax rate, but the agricultural community needed to have a lower tax rate.

Ms. Jamie McNeill, West Fairfax District, expressed her concern that there was disagreement on the School budget. She stated that education was a top priority and the community should be able to afford quality education and pay raises for the teachers, but not at the expense of the elderly who may lose their homes because they could not pay their taxes.

Ms. Claudia Hales, Catalpa District, spoke in favor of the music program, especially the strings program. She said she also supported teacher retention and recruitment. She suggested that a greater public awareness of budget issues be undertaken in order to keep the public aware of budget problems.

Mr. Kim Williams, Salem District, supplied data and charts to explain the level of teachers' salaries with Bachelor's and Master's degrees, salary scales and step increases, and archival data on salaries in prior years.

Mr. Steve Jenkins, East Fairfax District, stated that the growth in the community was out of control, and he endorsed the suggestion made earlier for impact fees. He said he supported increases in teachers' salaries, as well as adequate recreational facilities.

Mr. John Fotenos, Stevensburg District, expressed his concern regarding the recent reassessments and their impact on individuals who may lose their homes, especially the farmers. He stated he supported the School Board's request because of the need for additional classrooms and quality teachers. He noted that he coached wrestling at the high school and lost the space because of overcrowded classrooms.

Ms. Jackie Kenney, Jefferson District, expressed her concern as a parent and teacher regarding the overcrowded classrooms and the lack of recreational facilities. She urged the County to focus on what was important. She added that in addition to these

concerns, she recently received a reassessment on her home that had increased 40 percent.

With no further comments, Mr. Coates closed the public hearing on the proposed budget.

Mr. Coates recessed the meeting at 9:50 p.m.

Mr. Coates called the meeting back to order at 10:07 p.m.

**THE BOARD WILL RECEIVE COMMENTS ON THE PROPOSED CALENDAR YEAR 2003 TAX RATES**

Mr. Bossio explained the reassessment process in order to address some of the concerns expressed. He stressed that the Board of Supervisors did not and could not control the process. Virginia Code requires a periodic reassessment to fair market value, and the last reassessment reflected five years' of growth in the County. He said that the larger localities had internal assessors and reassess every year so that the impact would not be as great. Smaller localities have the option of doing the same if they can afford it, or they contract with a certified company which must adhere to the Commonwealth's mandates and that fair market value is no less than 70 percent and no higher than 100 percent. The numbers received back from the assessors point to the fact that the assessment was approximately 98.3 percent of the fair market value as certified by the State. He explained that the Board of Assessors has the authority to adjust significant anomalies in fair market value, and, if a citizen is not satisfied, a recourse would be going before the Board of Equalization, which is composed of three citizens appointed by five Circuit Court judges.

Mr. Bossio stated that the County did not yet know what impact the reassessment might have, but the 33 percent figure was used in building the budget.

Mr. Bossio discussed a comparison of housing values and the equalizing tax rates and gave several examples with varying values and rates. He mentioned that the high demand for housing and the low interests rate are driving up the fair market value. The State allows the locality to set one tax rate equal for everyone. He explained that there was tax relief for the elderly (65 years or older) and disabled based on total combined income of the household and net combined financial worth. In addition, Virginia law allows for eligible land in agricultural, horticultural, forest or open space to be taxed based upon the land's value in use as opposed to the land's market value.

Mr. Bossio pointed out that 92 cents could not buy everything that had been requested or would it provide for future needs. He explained that future debt service would



be required to finance. He displayed a chart depicting the current debt of approximately \$4 million out to 2023, including the new debt service for buses for the schools for the upcoming years. He said that it was difficult to set a tax rate and attempt to level the debt to approximately \$6 million or \$7 million over the long term in order to ease the capital debt load on the taxpaying for the coming years. He said that in front loading the debt service, some of the peaks could be shaved by setting aside funds in the current tax rate. He stated that 92 cents would buy the School Board's adjusted request of \$4.3 million, but there would be no savings for the future.

He offered the following tax strategies:

Option 1: Tax rate of 92 cent to fund \$3,166,926, plus 4 cents for future capital funding of \$1 million;

Option 2: Tax rate of 92 cents to fund \$3,666,926, plus 2 cents for future capital funding of \$500,000; or

Option 3: Tax rate of 92 cents to fund \$4,166,926, with nothing for future capital funding.

Mr. Bossio thanked the audience for their attendance and participation.

Mr. Coates opened the public hearing on the proposed tax rate and called for public comments.

Mr. William Thomas pointed out that 92 cents was the original rate, and he questioned why it was not sufficient this year. He said he realized that property values had increased, but it happened over a five-year period. He estimated that approximately 90–95 percent of the taxpayers had not contacted the County and would pay their taxes even in difficult situations. He stated that the Board needed to base its decision on what was best for the County as a whole.

Mr. Al Aitken addressed the Board a second time regarding the need for the State to enact legislation that would limit the increases in the property taxes and allow localities to procure the revenues they needed.

Mr. Ron Worman stated that he appreciated Mr. Bossio's comments regarding tax relief for the elderly, but he discovered he did not qualify. He asked whether there were some caveats to the program. Mr. Bossio replied that there were conditions based on income and net combined worth, and he would make sure that Mr. Worman received a copy of the chart. Ms. Doris Clatterbuck, Catalpa District, stated that she thought a tax rate of 92 cents was outrageous. She said her property was reassessed the 33 percent, but she was building a new house which would be assessed at a higher value. She said she would

not be able to live and pay taxes in Culpeper County. She inquired why the School Board did not spend its budget last year and had funds returned. Mr. Coates stated that he would have an answer to her the next day.

Mr. Bob Raber, Jefferson District, suggested that the County monitor the contractors who made the assessments. He related the difficulties he had in meeting this them and obtaining information. He said one of the contractors directed him to the web for data on comparable properties to his. He said the County should establish the guidelines for future assessments.

With no further comments, Mr. Coates closed the public hearing.

On behalf of the Board, Mr. Coates thanked those who participated in both the proposed tax rate and the proposed budget.

**ADJOURNMENT**

Mrs. Smith moved, seconded by Mrs. Hansohn, to adjourn at 10:50 p.m.

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Peggy S. Crane, CMC  
Deputy Clerk

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John F. Coates, Chairman

ATTEST:

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Frank T. Bossio  
Clerk to the Board

APPROVED: May 6, 2003